

REFERENCE TITLE: accountable health plans; claim history

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1023

Introduced by
Senator Gray L

AN ACT

AMENDING SECTION 20-2309, ARIZONA REVISED STATUTES; RELATING TO ACCOUNTABLE HEALTH PLANS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-2309, Arizona Revised Statutes, is amended to
3 read:

4 20-2309. Renewability

5 A. At least sixty days before the date of expiration of a health
6 benefits plan, an accountable health plan that provides a health benefits
7 plan shall provide for written notice to the employer of the terms for
8 renewal of the plan. The notice shall include an explanation of the extent
9 to which any increase in premiums is due to actual or expected claims
10 experience of the individuals covered under the employer's health benefits
11 plan contract. THE NOTICE SHALL ALSO DISCLOSE THE LOSS HISTORY INFORMATION
12 FOR THAT GROUP FROM THE PREVIOUS CONTRACT PERIOD. THE ACCOUNTABLE HEALTH
13 PLAN SHALL PROVIDE THE INFORMATION IN A FORMAT THAT DOES NOT DISCLOSE
14 PERSONALLY IDENTIFIABLE HEALTH INFORMATION UNLESS THERE IS AUTHORITY TO
15 PROVIDE THAT INFORMATION, BUT IN NO EVENT MAY THE INFORMATION BE DISCLOSED IN
16 A MANNER THAT WOULD IDENTIFY AN EMPLOYEE. INFORMATION ON CLAIMS RECEIVED BUT
17 NOT YET PROCESSED IS NOT REQUIRED TO BE DISCLOSED. THE INFORMATION PROVIDED
18 MUST BE CURRENT TO THIRTY DAYS BEFORE THE RENEWAL OFFER. THE INFORMATION
19 SHALL INCLUDE:

- 20 1. TOTAL PREMIUM RECEIVED.
- 21 2. TOTAL INCURRED CLAIMS.
- 22 3. TOTAL PAID CLAIMS.
- 23 4. TOTAL PENDING CLAIMS.
- 24 5. A DESCRIPTION OF ANY LARGE OR CATASTROPHIC CLAIMS THAT EXCEED FIVE
25 THOUSAND DOLLARS.

26 B. An accountable health plan may refuse to renew or may terminate a
27 health benefits plan only if:

28 1. The employer fails to pay premiums or contributions in accordance
29 with the terms of the health benefits plan of the accountable health plan or
30 the accountable health plan does not receive premium payments in a timely
31 manner.

32 2. The employer committed an act or practice that constitutes fraud or
33 made an intentional misrepresentation of material fact under the terms of the
34 health benefits plan.

35 3. The employer has failed to comply with a material plan provision
36 relating to individual or employer participation rules as prescribed in
37 subsection C of this section.

38 4. The accountable health plan has ceased to offer coverage in the
39 group market pursuant to this section.

40 5. In the case of an accountable health plan that offers a health
41 benefits plan through a network plan in this state, there is no longer any
42 enrollee in connection with the accountable health plan who lives, resides or
43 works in the service area of the accountable health plan or in the area
44 served by the network plan for which the accountable health plan is

1 authorized to do business and the accountable health plan would deny
2 enrollment pursuant to section 20-2304, subsection G.

3 6. In the case of an accountable health plan that offers a health
4 benefits plan in the group market only through one or more bona fide
5 associations, the membership of an employer in the association has ceased but
6 only if that coverage is terminated uniformly without regard to any health
7 status-related factor or any covered individual.

8 C. An accountable health plan may require that a minimum percentage of
9 employees who are not covered under a spouse's or parent's employer's health
10 benefits plan be enrolled in a plan if the percentage is applied uniformly to
11 all plans that are offered to employers of comparable size.

12 D. An accountable health plan is not required to renew a health
13 benefits plan with respect to an employer or individual if the accountable
14 health plan:

15 1. Elects not to renew all of its health benefits plans that are
16 issued to employers or individuals in this state.

17 2. Provides notice to the director at least five business days before
18 the accountable health plan gives notice to each employer or individual
19 covered under a health benefits plan of the intention to discontinue offering
20 any health benefits plans in this state.

21 3. Provides notice of termination to each employer or individual
22 covered under a plan at least one hundred eighty days before the expiration
23 date of the plan. If the accountable health plan terminates coverage, the
24 accountable health plan may not issue a health benefits plan to an employer
25 in this state during the five year period beginning on the termination date
26 of the last plan that was not renewed.

27 E. If an accountable health plan decides to discontinue offering a
28 particular health benefits plan offered in the group market, the accountable
29 health plan may discontinue that coverage only if the accountable health
30 plan:

31 1. Provides notice to the director at least five business days before
32 the accountable health plan gives notice to each employer or individual
33 covered under that health benefits plan of the intention to discontinue
34 offering that health benefits plan in this state.

35 2. Provides notice to each employer or individual covered under that
36 health benefits plan at least ninety days before the date of the
37 discontinuation of that coverage.

38 3. Offers to each employer whose coverage is discontinued pursuant to
39 this subsection the option to purchase all other health benefits plans
40 currently offered by the accountable health plan for employers in the group
41 market uniformly without regard to any health status-related factor of any
42 employee or a spouse or a dependent of the employee enrolled or individuals
43 who may become eligible for that coverage.